



TOWN OF VERNON

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Pension Board

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Town of Vernon, Connecticut Pension Board Meeting Minutes –AMENDED DRAFT

December 11, 2013

In Attendance:

Patricia Neal, Board Member
John Lillis, Board Member
Jim Luddecke, Finance Officer
Gary Ruchin, Board Member

Marion Griffin, Prudential
Alex Caravaca, Prudential
David Pappalardo, Prudential
Dawn Maselek, Assistant Town Administrator

Absent:

John Ward, Town Administrator

Meeting called to order by Dawn Maselek at 7:10 p.m.

Public Comment

There were no members of the public in attendance.

Approval of Minutes

Motion to approve minutes for September 11, 2013, by Patricia Neal, seconded by John Lillis. All in favor.

New Business

Actuarial discussion by David Pappalardo focusing on review of Town and Police plans, and new GASB requirements. Pension Committee questions whether funded status of pension plans is in line with market of other municipalities.

Jim Luddecke would like to have actuarial information on the projected financial health of the pension plans and the impact of alternatives to improve their funded status to present to Town Council by March 3, 2014.

Allocation review with Marion Griffin showed third quarter results much better with a 4.6% return for the Town plan and 5.19% return for the Police plan. Town equity balance is 51.47% and fixed income is 48.53%, requiring some rebalancing to align with the plan. Police Plan Equity allocation grew to 57.82% requiring some rebalancing to the guaranteed account.

Old Business

Developing Markets did well in third quarter. Emerging markets picked up in third quarter, but was still negative for YTD. Domestic Small Cap Growth did best. Positive signs from Europe, Japan and UK. Third quarter deemed a major turnaround with 51 – 75% of portfolio managers meeting benchmarks.

Caywood-Scholl placed on watch list in September due to change of portfolio manager. Standard procedure for Prudential. Presently under review after request to merge assets.

Market uncertainty will make future performance difficult to gauge.

Dates for 2014 meetings:

February 5, 2014

May 21, 2014

September 10, 2014 including tentative valuation discussion with David Pappalardo

December 10, 2014

Motion to adjourn was made by Gary Ruchin, seconded by John Lillis. All in favor.

Meeting adjourned at 8:35 p.m.

Next Meeting: February 5, 2014

Prepared by: Dawn R. Maselek, Assistant Town Administrator